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TENNESSEE VALLEY AUTHORITY

KNOXVILLE, TENNESSEE 37902

APR 23 1987

Mr. Francisco Barba  
Compliance Officer  
CERCLA Remedial Enforcement  
Section (3HW12)  
U.S. Environmental Protection  
Agency, Region III  
841 Chestnut Building  
Philadelphia, Pennsylvania 19107

(Dey)

Dear Mr. Barba:

EASTERN DIVERSIFIED METALS SITE

This responds to Stephen Wassersug's March 5 letter notifying us that TVA may be a potentially responsible party (PRP) for cleanup activities associated with the Eastern Diversified Metals site. Greg Signer of TVA's Office of the General Counsel discussed this with Lawrence Falkin of your Regional Counsel's office. Mr. Falkin indicated that Region III will meet with all PRPs on April 30 in Philadelphia. TVA representatives will attend that meeting.

Our investigation to date does not disclose any basis for holding TVA responsible for cleanup of the Eastern Diversified Metals site. The company records, which Region III provided to us, indicate that 163,298 pounds of insulated aluminum wire from a "T.V.A." was processed in December 1973. This is the only reference to "T.V.A." Our records, copies of which were provided to you by our September 10, 1986 letter, suggest that the referenced "T.V.A." is not this agency.

As we informed you, TVA sold no surplus property to Eastern Diversified Metals, to the corporation presently controlling the site, Theodore Sall, Inc., or to these companies' parent corporation, Diversified Industries, Inc., in 1973. Although, it appears that TVA did make three sales of surplus steel, wire, and cable to a "Diversified Metals Corporation," a subsidiary of Diversified Industries, Inc., in 1973, only one of these sales involved aluminum wire. That was a May 2, 1973 sale of approximately 80,000 pounds of ACSR (aluminum conductor, steel reinforced) wire. Not only was the amount of this wire substantially less than that identified for the "T.V.A." in Eastern Diversified Metals' records, but also ACSR wire is not insulated.

Even assuming that material sold by TVA eventually came to be located at the Eastern Diversified Metals site, TVA certainly did not contract or arrange for the disposal or treatment of a hazardous substance at that site or any other such site respecting the sales in question. Nor did TVA arrange with anyone to transport a hazardous substance to that site for disposal or treatment. Consequently, there appears to be no legal basis for holding TVA liable in this matter.

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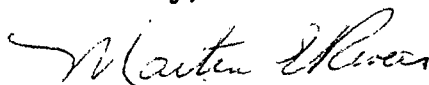
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In any event, the material provided with Mr. Wassersug's letter cites TVA for only 0.031 percent of the waste accumulated at the site. Assuming the costs of RI/FS and cleanup of the site are not excessive and we can be reasonably satisfied that there is a basis for holding TVA responsible for sharing in those costs, we would consider agreeing to reimburse EPA for the percentage of total costs you have identified for TVA. Because TVA is a Federal agency, see 16 U.S.C. §§ 831-831dd (1982 and Supp. III 1985), we understand that the proper mechanism for documenting such an agreement is an interagency agreement between TVA and EPA. We would like to meet with representatives of Region III to discuss the elements of such an agreement.

Sincerely,



Martin E. Rivers, Director  
Environmental Quality

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(Red)

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